

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 0 3

2. STATE:

Washington, D.C.

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
Section 1923(c) Social Security Act;  
42 CFR 447 Subpart E

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ - 0 -  
b. FFY 2002 \$ -9 mill.

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 20, 20a, 20b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):Attachment 4.19A, page 20, 20a  
TN# 97-09

10. SUBJECT OF AMENDMENT:

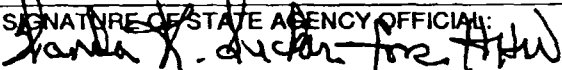
DSH Modification (SafetyNet)

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
- 
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- 
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Herbert H. Weldon, Jr.

14. TITLE: Senior Deputy Director  
for Health Care Finance

15. DATE SUBMITTED:

July 26, 2001

16. RETURN TO:

Herbert H. Weldon, Jr.  
Senior Deputy Director for Health  
Care Finance/MAA/DOH  
825 North Capitol Street, N.E., Suite 5135  
Washington, D.C. 20002

17. DATE RECEIVED:

May 22, 2001

18. DATE APPROVED:

October 1, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

Oct. 1, 2001

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

for Claudette V. Campbell

22. TITLE:

Assoc. Reg. Admin. DMSO

23. REMARKS:

h. Under authority of 1923(c)(3), the District of Columbia may limit the total disproportionate share hospital (DSH) payments that it will make to qualifying DSH hospitals in fiscal years 2002 and each fiscal year thereafter. The "annual District DSH limit" in a fiscal year shall be equal to the District's annual Federal DSH allotment, expressed in "total computable dollars", for the same fiscal year reduced by the lesser of:

- (1) the total amount expended by the District for services provided in the same fiscal year under authority of the 1115 Waiver to enable the District government to expand coverage of the Medicaid Program to childless adults 19 to 27 and 50 to 64 years of age: or
- (2) \$12,857,142.00

The total amount expended by the District for services provided under authority of the 1115 Waiver to enable the District to expand coverage of the Medicaid Program to childless adults 19 to 27 and 50 to 64 years of age, shall be an amount, as determined ninety (90) days after the end of each fiscal year, which shall equal the sum of:

- (1) the actual liabilities incurred and received by the District for waiver services as of that date; and
- (2) the District's best estimate of incurred but not yet received liabilities as of the same date. The District's best estimate shall not be subject to revision at a later date

i. The following applies to disproportionate payment adjustments to hospitals effective October 1, 2001:

- (1) All hospitals, which meet the disproportionate share hospital (DSH) eligibility criteria in section 10.a. of this Plan, shall be paid in accordance with section 10.i.(2) of this Plan. Each qualifying hospital shall also meet the requirements set forth in sections 10.c through 10.e of this Plan.
- (2) Effective October 1, 2001, and in accordance with section 1923(c)(3) of the Social Security Act, the District of Columbia Medicaid Program shall establish three categories of hospitals to pay each hospital that qualifies as a disproportionate share hospital (DSH):

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- (a) The first category shall include the hospital designated as the contractor to provide inpatient hospital services and coordinated health care for the uninsured population of the District of Columbia under the D.C. Healthcare Alliance. The second category shall include the public psychiatric hospital, which is St. Elizabeth's Hospital. The third category shall include any qualifying private hospital.
- (b) The payment adjustment for each qualifying DSH hospital shall be computed as follows:
- (i) Five million, six hundred thirty six thousand ,five hundred seventy one dollars (\$5,636,571) shall be paid to the hospital designated as the contractor to provide inpatient hospital services and coordinated health care for the uninsured population of the District of Columbia under the D.C. Healthcare Alliance Program.
- (ii) The difference between the annual District DSH limit as defined in section 10h, and the amount paid to the hospital designated as the contractor to provide inpatient hospital services and coordinated health care services for the uninsured population of the District of Columbia under the D.C. Healthcare Alliance Program, as computed in subsection 10.i.(2)(b)(i), shall be distributed as follows:
- A. Each public psychiatric qualifying DSH hospital shall be paid an amount based upon the formula set forth in section (1923(c)(1) of the Social Security Act, which is the product of the amount established under section 1923(c)(1)(A) times the adjustment percentage established under section 1886(d)(5)(F)(iv).
- B. Each private qualifying DSH hospital shall be paid an amount based upon the formula set forth in section (1923(c)(1) of the Social Security Act, which is the product of the amount established under section 1923(c)(1)(A) times the adjustment percentage established under section 1886(d)(5)(F)(iv).

j. Any payment adjustment computed in accordance with subsection 10i(2)(b) is subject to the

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TN # 01-03

Effective Date 10/1/01

Approval Date OCT 17 2001

Supercedes

TN # 97-09

limit on payments to individual hospitals established by section 1923(g) of the Social Security Act. The amount of any payment that would have been made to any hospital, but for the limit on payments established by section 1923(g), shall be distributed proportionately among the remaining qualifying hospitals in the second and third categories, based on the ratio of the hospital's hospital-specific payment adjustment to the aggregate DSH payment adjustment for all hospitals.

- k. Any DSH payment adjustments computed in accordance with section 10i(2)(b) of this Plan are subject to the limits on payments to Institutions for Mental Disease (IMD) established by section 1923(h) of the Social Security Act. The amount of any payment that would have been made to a public or private hospital, but for the limit on payments established by section 1923(h), shall be distributed proportionately among the remaining qualifying hospitals in the second and third categories, based on the ratio of the hospital's hospital-specific payment adjustment to the aggregate DSH payment adjustment for all hospitals.
- l. If, during any fiscal year, the "annual District DSH limit" is not sufficient to pay the full amount of any DSH payment adjustment computed in accordance with 10i(2)(b)(ii) of this Plan, then each hospital in the second and third categories shall be paid a proportional amount of their computed DSH adjustment amount. The final DSH payment for each hospital shall equal the product of its DSH payment adjustment computed in accordance with section 10i(2)(b)(ii) and a fraction, the numerator of which shall equal the "annual District DSH limit" less \$5,636,571; and the denominator of which shall equal the aggregate DSH payment adjustment for all hospitals computed in accordance with section 10(i)(2)(b)(ii).

**DEFINITIONS:**

For purposes of this State Plan amendment, the following terms shall have the meanings ascribed:

Annual District DSH limit- the annual District-established aggregate limit for DSH payments. This term shall not be construed as the annual Federal DSH allotment for the District of Columbia.

Total computable dollars- total Medicaid DSH payments, including the federal and District share of financial participation.

11. All claims for inpatient services are settled in accordance with the D.C. State Plan and federal laws and regulations in effect on the date of service.